



South Sumatra Forest Fire Management Project

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South Sumatra Forest Fire Management Project (SSFFMP)

**Second Six-Monthly Progress Report
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Abbreviations

AWP	Annual Work Plan
BAPPEDA	Badan Perencanaan Pembangunan Daerah (=Regional Development Planning Board)
BAPPEDALDA	Badan Pengendalian Dampak Lingkungan Daerah
BMG	Badan Meteorologi dan Geofisika
BPKH	Balai Pengukuhan Kawasan Hutan (previously BIPHUT)
CBFiM	Community-based Fire Management
Dephut	Departemen Kehutanan R.I (= Ministry of Forestry)
DPKH	Direktorat Penanggulangan Kebakaran Hutan
EC	European Commission
EIA	Environmental Impact Assessment
ENSO	El Nino Southern Oscillation
EU	European Union
EUR	Euro
FA	Financing Agreement
FFEWS	Forest Fire Early Warning System
FFPCP-EU	Forest Fire Prevention and Control Project (European Union)
FLB	Forest Liaison Bureau
GIS	Geographic Information System
Gol	Government of Indonesia
GPS	Global Positioning System
GTZ	Gesellschaft fuer Technische Zusammenarbeit (= German Technical Co-operation Agency)
IDR	Indonesian Rupiah
IPA	Initial Plan of Activities
IFFM-GTZ	Integrated Forest Fire Management Project (GTZ)
ITTO	International Tropical Timber Organization
JICA	Japan International Co-operation Agency
LAN	Local Area Network
M1, M2, M3	Milestone 1, Milestone 2, Milestone 3
MoF	Ministry of Forestry
MoU	Memorandum of Understanding
NGO	Non Government Organisation
NOAA	National Oceanic and Atmospheric Administration
OWP	Overall Work Plan
PCC	Project Co-ordination Committee
PEMDA	Pemerintah Daerah

PMU	Project Management Unit
PPM	Project Planning Matrix
PSC	Project Steering Committee
PSW	Pusat Studi Wanita (Women Study Centre)
RS	Remote Sensing
SCKPFP-EU	South and Central Kalimantan Production Forest Project (European Union)
SMART	Specific, Measurable, Achievable, Relevant, Timely
SNRM	Sustainable Natural Resource Management
STE	Short-term expert
TA	Technical Assistance

Executive Summary

This second six monthly progress report, covering the period from 15th July 2003 until 14th January 2004, of the South Sumatra Forest Fire Management Project was prepared according to the requirements of the Financing Agreement and the Consortium Contract with the Delegation of the European Commission in Indonesia.

The Initial Plan of Activities and the first Annual Work Plan focused on the socialization of the project, establishing working relationships with stakeholders and in setting up an operational office infrastructure. At the same time the ground was prepared to make arrangements for an official project launching, immediately followed by a first planning workshop with all major stakeholders. This Launching and Planning Workshop was held from 19th-20th March 2003. In the second half the planning workshop was held in December 2003 and was again successful in bringing together government agencies, the private sector, NGOS and representatives from other donor assisted projects. Not only experience and ideas were shared, but also the planning documents were discussed, analysed, adjusted and refined to suit present conditions and developments in Indonesia and in South Sumatra. The output of the second planning workshop is the major input for the second annual work plan (AWP II).

Assessing the progress to date, which now covers a period of 12 month, is therefore based on the AWP I and its implementation. Progress is good with regard to awareness, socialization and visibility of the project. Substantive discussions and visits to stakeholders underlined the willingness of the stakeholders and the project to work in close co-operation and co-ordination.

Very good contacts were established and consolidated with other donor-assisted projects among them from EU, CIDA, GTZ and JICA. Hence, some of the strategies to be applied throughout project life, namely to learn from experience and to establish a network, have received a major boost and have been put into practice with the first AWP. Sharing, exchanging of information and documents/documentation has taken place; the next step was to use available human resources from these projects to speed up implementation and to make comparative studies.

With regard to office infrastructure the planned targets were closely reached, as our partners have made available substantial contributions. Were there are delays; they

have been caused by EU regulations which needed more time as initially planned (tender, approvals).

The first AWP listed 5 results to be accomplished to achieve the project purpose. The log frame provided was analysed, discussed with partners and adjusted, and reflects the changes occurred since the FA was signed in 2001. In particular the indicators were developed and completed to allow for better Monitoring and Evaluation (M&E).

During the IPA the TA Team consisted of five members. Additionally four members were phased in during the second half of AWP I. At the national and provincial governments counterparts from relevant stakeholders were nominated and are involved in the planning and implementation of project activities and take over an increasing responsibility and commitment over time. A first list of national and local short-term experts was drawn up and implemented during AWP I to address the most urgent issues during the first year.

Concerning the EU and the Gol budget and its disbursement first data on Gol provision and expenditure are available. For the first AWP I the budget was carefully estimated, project activities were implemented and procurement carried out. However similar to other EU Forestry Projects, disbursement was below target due to a number of reasons, in particular due to the appreciation of the Euro by around 30% and the delays in approval and tender procedures.

A detailed procurement list and schedule was prepared and reflected the need of setting up the office and project infrastructure and the requirements for the implementation of the project activities. In areas where procurement could not be finalized tender, requirements, duration and delays were responsible, e.g. for transport, specific software and satellite images.

So far no major changes were requested to the FA budget lines within the first AWP I. Nevertheless some budget lines have to be carefully monitored in particular budgets for local supporting staff and per diem payments to the TA Team. As a first consequence, the per diem payment to the TA Team were lowered in accordance with / to the levels of the other EU and GTZ project arrangements and AWP I implementation showed that this policy allowed the TA Team more field work presence and activities.

Even with the project facing substantial difficulties and challenges, it was possible to engage our partners at all levels, and in particular at district level, to secure willingness and commitment from them to jointly implement the SSFFMP activities during AWP I.

The AWP I, despite the ambitious goals was implemented closely to set targets with all relevant stakeholders. The past and present development at the priority districts is very encouraging, also with a view to the counterpart funds, which will be made available and could reach above 800 million Rupiah in additional allocation for 2004. AWP II, nevertheless will be a challenge again, considering the goals and targets set.

The TA Team and our partners are ready to take these challenges in order to make an even larger contribution to co-ordinated fire management and sustainable management of natural resources in 2004.

Section I: General Overview

1.1 Introduction

SSFFMP operates in the forest sector, which again went through a very difficult time in 2003 in Indonesia. Deforestation continued, forest conversion into plantations is ongoing with and without environmental damage, rampant illegal logging was recorded and mentioned by the media, larger forest fires occurred in Jambi, Riau and some Kalimantan Provinces during the dry season 2003, conflicts with regard to settlements, land allocation and corruption are additional threats to the long-term sustainability of natural resources. Hence, the forest cover was also shrinking in an alarming speed in 2003; estimates are between 1.8 to 2.3 million hectares.

The unfinished process of decentralization still creates confusion and is responsible that old and traditional structures break down or are phased out, and new structures are insufficiently in place or developed. High risks exist to operate under such shifting framework conditions and require a flexible adaptation to the new emerging parameters. On the other side, nearly all stakeholders are aware, that urgently new structures and policies have to be implemented to avoid natural disasters already occurring or looming on the horizon, e.g. floods, landslides, erosion, increased danger for land and forest fires.

As part of the larger ECIFP the South Sumatra Forest Fire Management Project addresses some important issues to reduce the disastrous effects land and forest fires have had in the past, and will have in the future in Indonesia and neighbouring countries. Among the effects land and forest fires have are destruction of large forest and land areas, producing haze and smoke affecting not only Indonesia, but also neighbouring countries and accelerated depletion of natural resources and biodiversity on a large scale. The approach, the project is applying, is prevention and fire fighting through community based fire management at local level and in the establishment of effective and efficient prevention and fire fighting command structures on provincial, district and village level.

1.2 Development context

After the downfall of Soeharto, a democratization and decentralization process started in Indonesia and is still continuing. The economic crisis emerging in 1997 fostered even more the break up of centralized structures and planning and initiated a move away from government run institutions and businesses to a more open economy to be driven by the private sector. The central government as the largest forest land owner lost control over forest licenses to provincial and district governments and they government owned forest companies have not been able to sustainably manage their concessions, let alone to generate profits for future investments.

This transitional status without a clear direction and policies and resources for administering and enforcement of law lead to an escalation of land occupation by individuals, communities and to rampant illegal logging. As a counter measure the government introduced a new forestry law 41 / 1999 and a government regulation 4 / 2001 which address most of issues on forest use, forest fires and management. However, the decentralization has caused some inconsistencies in the law and its jurisdiction. Further to this, provincial and district governments are not fully capable to take over their new roles due to lack of funds and human resources, and hardly can meet the challenges ahead of them. In certain instances the decentralized structures misused their new powers and granted more logging licenses and corruption only shifted from central to provincial or district level, (e.g. see newspaper article on dispute of Minister of Forestry and Governors from Kalimantan).

SSFFMP, coming into this situation at the start of 2003 adapted as far as possible to the decentralized government and supports now the development of new structures at provincial and district level. Stakeholders in the forest sector are now addressed more freely and include the private sector and non-governmental institutions. The past overall dependence on the government sector can be reduced and multi-stakeholder forums can shape the future forest sector development at different levels of intervention.

Decentralisation is continuing and SSFFMP has to adapt fast to the new situations. At the end of 2003 OKI one of the priority districts was divided into two districts and consequences for project implementation have to be investigated.

1.3 Expected results of SSFFMP

A large task for the project lays in raising the awareness of the population to prevent and fight forest fires for their own good. Additionally, for school children, forest fire issues

should be included in the curricula and help in raising awareness and education concerning environmental issues, in particular the damaging effects of land and forest fires.

The capacity of institutions and individuals has to be further raised to develop effective institutional management and command structures to prevent and fight large-scale fires from provincial to district level and further down to village level. To fight fires, equipment and tools are required where the fires might occur as well as trained people in using the equipment, in providing safety and security services.

Focusing on the prevention of fires involves the necessity of good land use planning and resource management, including and involving all major stakeholders. Furthermore the supply of data and information to government and the private sector is of importance. Civil society and non-governmental institutions play an important role in shifting public opinion, lobbying for the environment and in monitoring and highlighting bad practices.

Taking all intervention steps together, they should lead to a higher awareness and education of the population concerning their living environment, to effective and capable institutions and command structures, and good land use planning for the sustainability and improvement of natural resources, not only for Indonesian citizens, but also to citizens of neighbouring countries.

1.4 Main achievements to date (AWP I)

In spite of start-up difficulties the team managed, with the invaluable support of the relevant stakeholders, to set-up office infrastructure, which is being constantly upgraded and partly enlarged to suite the needs of the project and counterparts.

The Initial Plan of Activities (IPA) was prepared (which summarizes planned activities and budgets required during the first three months) and was approved by the Delegation and implemented by the PMU, counterparts and stakeholders. During the IPA all major stakeholders were visited to introduce the project and its purpose, among them the Governors office, BAPPEDA, BAPEDALDA, BPKH, Dinas Kehutanan, some NGOs and some District offices.

Additionally the official Launching and Project Planning Workshop was organized from 19th -20th March to socialize the Project to stakeholders and to receive inputs for the

OWP and first AWP. More as 100 representatives from government, NGOs, Universities and the private sector actively participated.

Immediately following the IPA, the Overall Work Plan (OWP) and the first Annual Work Plan (AWP I) was prepared and is under implementation until 14th January 2004.

During 2003 a major effort was made to start the formation of multi-stakeholder fora in the three priority districts. It is estimated, that in early 2004 these fora are operational and will guide the project implementation on district, sub-district and village level.

In December 2003, together with the stakeholders, including representatives from the district and sub-district level, this second AWP was drafted and handed over to the Delegation for approval and endorsement.

Throughout 2003 the major strategies and approaches were pursued, namely high participation and involvement of relevant stakeholders, networking on provincial, national and regional level, incorporating lessons learnt and experiences gained / available from other stakeholders.

To improve efficiency and effectiveness the PMU was assisted by a short-term team to set up and improve an M&E system. This task was completed and got a further push by the EU Monitoring Team, (the M&E report from the EU Monitoring team is attached in the Annex 10).

Altogether three international short-term and six national short-term assignments were successfully implemented. The results were immediately integrated into ongoing project implementation.

1.5 Major Issues and challenges

1.5.1 National level

Within the national context and in particular within the forestry sector the main issues and challenges have not considerable changed in 2003 and since the project was designed in 1999.

- The decentralization process is continuing, but implementation and to achieve respective results are a difficult task to government agencies on national, provincial and district level (devolution of power from central to local government, creation of new institutional structures and the set up of new districts)
- The majority of provincial and district governments lack financial and human resources for their institutions and to introduce and implement local policies and regulations
- Law enforcement is still weak due to the lack of resources, but also due to limited willingness and commitment
- In the forestry sector illegal logging is continuing, land clearing with fire, so forbidden by law, is not under control and corruption is not reduced, but shifted from mainly central occurrence to decentralized institutions and individuals
- The hold of forest and land by central institutions is breaking down and decentralized institutions have no clear sustainable land use policy and planning in place
- Large discrepancies exist between resource rich and resource poor provinces and districts

SSFFMP is making a significant contribution to address these issues on district, provincial and on a lesser degree on national level together within the ECIFP and with other donors working in the sector. Networking and sharing experiences has therefore received substantial attention and has progressed considerably. All important stakeholders were included in the project planning activities and shared the idea and intentions to work closely together.

1.5.2 Provincial and district level

SSFFMP based in Palembang with a regional and district focus for project implementation is considerable influenced by the political and socio-economic situation in South Sumatra and its districts.

- The province is large and lacks infrastructure for large part of its territory. Accessibility of many fire prone areas is extremely difficult

- Out of three SSFFMP priority districts, at least two districts lack infrastructure and financial resources. Stakeholders in these districts have severe lack of transport means, operational budgets and means of communication
- Before, during and after provincial and district head elections no fast and far reaching decisions can be expected (in 2003 a new governor was elected and one Bupati of one of the priority districts). For 2004 the OKI district, one of the SSFFMP priority area is split up into two. Considerable resources are required for the district governments to set up local government structures and to develop sufficient human resources

The question may arise how can SSFFMP and the EU aid administration counteract such fast changes, risks and difficulties in order to achieve meaningful results and impact.

On accessibility SSFFMP will not only use cars and other road transport, but will also purchase or hire water transport means. In exceptional cases the use of aircraft is considered.

With regard to the lack of human resources, there is a significant component for capacity building planned. The lack of financial resources in provincial and district institutions can be partly addressed through better planning and setting clear priorities. Even with limited available resources through better planning an increased efficiency and effectiveness is envisaged.

1.6 Implementation and administrative matters during AWP I

The project had a very difficult start by a number of reasons, however completely outside the influence on the arrival of the PMU.

- Stakeholders were not aware, ready and prepared to receive the PMU in early January 2003
- Funds from the EU were not disbursed for two months at the start.
- GoI fund contributions were, so partly approved, not forthcoming until May 2003

- Office space and infrastructure made available by Gol did in no way match the needs and requirement for good working infrastructure and environment
- Decision making and implementation is slow due to regulations and administrative procedures
- The appointment of the national Co-Director was delayed and his position as Head of the Forestry Services hardly allows sufficient time for SSFFMP
- At the end of 2003 major key decision makers were replaced and the new ones need to be briefed again (Governor, Bupatis of new districts, Head of Dinas Kehutanan and the Director General of the MoF).

In spite of these difficult up start and framework conditions the PMU, counterparts and stakeholders managed to achieved remarkable results and outputs within the first AWP I. All deadlines have been kept, all milestones reached and a good working relationship with counterparts and stakeholders is established.

Project infrastructure set up has advanced considerably and when transport means are available beginning of 2004 it will be nearly completed. For the future upgrading or augmenting will be done on a continuous basis. In 2004 water transport will be added. Under AWP I, boats were hired.

From the start the PMU has championed a participative approach involving all major stakeholders. Hence, there is a clear understanding among stakeholders, this is an Indonesian project supported by the EU and the final responsibility is with the Indonesian stakeholders and respective decision makers.

1.7 Support and backstopping by consortium

Close monitoring and supporting of the project activities is an essential requirement. Therefore, the services rendered by the Consortium in the field of project coordination and backstopping ensure effective, timely, and cost-efficient implementation of the project.

Backstopping is based on the coaching approach and the specific project requirements. On demand by the project, backstopping services are provided mainly through GTZ in-country experts and DHV ANR BV headquarter based experts.

The backstopping unit assists in performing the following tasks:

- Quality control and project management
- Identification and mobilization of short-term experts
- Information and advice at the development of international/ national initiatives and processes (Act. fire management policies and science, national forest programs, implementation of international conventions)
- Provide advice in implications of the new decentralization framework, on definition of local government functions and responsibilities, local government organization and personnel management, development planning and budget processes, resource mobilization, financial management, and accountability mechanisms
- Sharing of experience, in particular from IFFM in East Kalimantan.

Implemented Backstopping Missions and Activities

Until end of 2003 a number of backstopping activities were concluded. There is continued backstopping from IFFM Project and its Team leader and staff to provide an overview on the achievements of 11 Years IFFM implementation in Kalimantan, on lessons learnt, suggestions for implementation and areas of co-operation. In December 2003 there was a comparative study of stakeholders and TA team members to Kalimantan, to get more insight and to see first hand results.

On Decentralisation SSFFMP received inputs for the institutional analysis from GTZ Decentralisation Project and a detailed manual on capacity needs assessment for districts. Headquarter staff from the Planning and Evaluation Section screened planning documents and made valuable suggestions.

A number of meetings for sharing information took place between GTZ implemented projects (NRM, forestry, decentralisation, and environment) and SSFFMP.

Planned Backstopping for AWP II

Within 2004 at least 3-4 backstopping activities will be implemented. A continuation on institutional analysis and developing institutional structures, on advanced CBFiM Training and its implementation. Backstopping on present developments in international forest fire management is scheduled for the second half of 2004 with the Global Fire Monitoring Centre.

1.8 Summary of major events

Events / Happenings	
FA signed by Gol	20 th December 2001
Technical Assistance Team arrived (5 PMU members)	16 th January 2003
IPA handed over to EU Delegation	15 th February 2003
National Co-Director assigned	19 th February 2003
First funds transferred by EU	10 th March 2003
SSFFMP participates in International Workshop on Human Resource Development for Forest Fire Prevention and Management	17 th - 20 th February 2003
PSC members nominated by Governor	12 th March 2003
SSFFMP Launching and Planning Workshop	19-20 th March 2003
Counterparts nominated by Governor	April 2003
OWP and first AWP handed over to EU Delegation	15 th April 2003
First telephone connection installed	9 th April 2003
Connected to sufficient electricity	April / November 2003
Counterpart funds approved and made available to partners from province budget	Approval 17 th March 2003 Available early May 2003
Counterpart funds approved and made available to partners from national budget	Approval in early June Available
First Project Steering Committee Meeting	9 th May 2003
Second draft of OWP and first AWP handed over to EU	15 th May 2003

Events / Happenings	
Delegation	
Local training specialist started work (PMU member 6)	19 th May
Meetings with major stakeholders in all three priority districts conducted	March to June 2003
SSFFMP participates in the Sriwijaya EXPO in Palembang	June 2003
SSFFMP participates in the Environmental Exhibition in Jakarta with ECIFP	June 2003
Third draft of OWP and first AWP send to EU Delegation	19 th June 2003
Action plan developed for forest fire season	June - July
Local participatory land use planning specialist started work (PMU member 7)	Beginning of July
Progress report I is sent to EU Delegation	15 th July 2003
Local NGO specialist started work (PMU member 8, under short-term allocation)	Beginning of September
EU Delegation finally approves OWP and AWP I	17 th September 2003
Short-term Team assists in development of M&E	September-October
EU Monitoring Team conducts M&E	7-10 th October 2003
Three priority districts issue SK	September-October
Village surveys are conducted and results presented to stakeholders	September - November 2003
Local Gender specialist started work (PMU member 9, under short-term allocation)	Beginning of December
Second project planning workshop with all relevant stakeholders	8-9 th December 2003
First draft of AWP II is sent to EU Delegation	15 th December 2003
Second Progress Report to EU Delegation	January 2004

Section II: Objectives and Achievements on Specific IPA Results

2.1 Project objectives and specific IPA results

SUMMARY OF OBJECTIVES AND RESULTS
<p>OVERALL OBJECTIVE: Establish a model for the rational and sustainable management of the country's land and forest resources.</p> <p>PROJECT PURPOSE: Aid and facilitate the establishment of a co-coordinated system of fire management at province, district, sub-district, and village levels throughout South Sumatra in which the local communities, private sector companies and government agencies work together to reduce the negative impact of fires on the natural and social environment.</p>
<p>RESULT # 1: Create institutional conditions to allow the implementation of effective fire management.</p>
<p>RESULT # 2: Enable stakeholders to organize and apply effective fire management mechanisms in their area.</p>
<p>RESULT # 3: Create capacities and support initiatives to bring land and natural resources under sustainable management</p>
<p>RESULT # 4: Support Government and non-government organizations to establish systems to monitor the impact of improved fire management on the environment and people (gender-issues, livelihood, income, etc.), and the results of the work placed in the public domain.</p>
<p>RESULT # 5: Provide support to Government agencies (at the national, provincial and district levels) and civil society to shape policies and organizational structures in such a way as to promote sustainable natural resources management that includes effective fire management.</p>
<p>RESULT # 6: Prepare long-and short-term international training</p>
<p>RESULT # 7: Set up and make office infrastructure operational</p>

2.2 Major achievements on AWP I results

The AWP I lists five results, on all five SSFFMP laid the groundwork and made considerable progress and consolidation with the implementation of activities. All major stakeholders were consulted frequently and involved again in the second project planning workshop and in the implementation of AWP I activities. At priority district level, multi-stakeholder forum concepts were finalized together with the district governments and start in the first quarter of 2004.

The TA team was strengthened and completed with the assignment of the NGO and Gender expert. Further support was provided through national and international short-term experts. Among the main areas of concern were: M&E, Institutional Assessment and Analysis, Industrial Extension for the Production of Fire Equipment and Fire Management Training.

The external, independent Monitoring Mission from the EU in October provided excellent reflection and feedback to all involved stakeholders on achievements and challenges ahead. In particular the recommendation for the EU Headquarters and the Delegation are of importance.

Specific and more detailed achievements per result are given below.

2.2.1 Achievements on Result 1:

Create institutional conditions to allow the implementation of effective fire management.

In its dealings with stakeholders, the project focuses on the management of the risk of fires damaging forests, secondary vegetation, plantations, and the prevalent peatlands in the region. It stresses that forest and land fire management is part of a sound natural resource management approach, and that it involves three main areas of attention: Fire Threat Analysis, Fire Prevention and Fire Suppression. These main components include a number of integrated tasks and responsibilities across various sectoral and coordinating government agencies and other stakeholders, including village communities.

The present situation in South Sumatra is that all of the above is not or partly established and/or recognized. Fire management is understood by most stakeholders in terms of fire monitoring and suppression only. Hence the presence of SSFFMP to assist in improving this situation. With regard to this, the project has made several inroads.

Stakeholder's views and initiatives that are broadly related to fire management were further probed and ideas/experiences exchanged through informal and formal meetings at national, province, district and village level. Institutions involved included the Regional Planning Agency (Bappeda), Forest Service, Estate Crops Service, Agricultural Service, Nation Unity and Community Protection (Kesbanglinmas), Meteorology and Geophysics Agency, Community and Village Empowerment Service, NGOs, University staff, private enterprise staff, community members.

A particular contribution in the context of the fire management organization has been made through a short-term expert input.

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Each of the three priority districts has established (or is in the process of establishing) a Multi Stakeholder Forum, through a Decree from the District Head (District Banyuasin – 7 August 2003; District OKI – 22 October 2003; District MUBA – (draft) Dec 2003).

The Multi Stakeholder Forum comprises a Steering Committee and Working Groups. The steering committee is composed of decision-makers, with one representative each from the relevant stakeholder groups, i.e. the district government, the district parliament, an NGO, traditional community, people empowerment institute, private sector companies, and a scientific/higher education institute. The steering committee is under the direct supervision of the Bupati (District Head) and is moderated / assisted by the project together with the District Secretary (2nd in hierarchy after the Bupati). The steering committee is chaired by the District Assistant 1 (3rd after the Bupati). This committee appoints a number of working groups to develop and propose specific programs with regard to forest and land fire management, e.g. improved land use down to village level as part of the fire prevention measures.

The working groups are again composed of representatives from the various stakeholder groups, including from the project. Also short-term experts from the project will give an input to the working groups. The working groups prepare several proposals & options and these are discussed with the other working groups. Results are then presented to the steering committee for a decision on which alternative program / options to pursue. Once a decision has been made, the members of the steering committee sign a binding statement, which will fix the tasks, roles and responsibilities for each of the involved stakeholder group institutions, as described in the approved program, and start the implementation of the approved program.

The Multi Stakeholder Forums are very important to get stakeholders together and actively develop joint programs and activities with regard to sustainable natural resource management that includes forest and land fire management. As per example, one of the working groups of the MSF will develop and propose a fire management organization, outlining the roles and responsibilities across the various stakeholders that need to be involved (e.g. government agencies, community-based fire crews, etc) in Fire Threat Analysis, Fire Prevention and Fire Suppression. Many of the tasks involved can, should be, and some are already part of the job description of a number of government agencies. Possibly, the working group focussing on the fire management organization might also propose to establish an additional technical implementation unit.

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The work of the MSF and working groups will be supported by the Districts through counterpart funds. District counterpart budgets will first be available for 2004, and the budgets proposed by each of the three districts are as high (2 Districts) or higher (1 District) then that of the province. District counterpart budgets were discussed and drafted with project input, based on the project's workplan.

At both national and provincial level, counterparts have been assigned to the project. Counterparts at the national level are from the Ministry of Forestry. Counterparts at the provincial level are from the Forest Service, the Environmental Monitoring Agency, the Regional Planning Agency and the office for Community Health and Women Empowerment. During the first project year, counterpart budgets were made available at both the national and provincial level.

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The Multi Stakeholder Forums (MSF) each are establishing a Secretariat that will ensure efficient communication between the MSF members and the working groups; schedules and co-ordinates meetings; takes notes during meetings; publishes meeting results; compiles and circulates progress reports; disseminates information to the public and maintains a web-site.

The people staffing the Secretariat's are from the Districts, and will be paid out of the district's counterpart funds. They will be trained by the project. The Districts furthermore provide office space and the running costs of the Secretariat. The project supports the Secretariat offices, which will also be used by project staff when they are working in the Districts, with some office furniture and equipment, including computer hard/software.

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The project works at provincial, district and village level and focuses on the peat land areas in South Sumatra where the fire problem is most eminent. The project works within the three selected government districts, with a focus on prioritized areas and villages within these areas. These priority areas and villages have been selected based on a number of criteria together with stakeholder representatives, and have been the subject of a rapid socio-economic appraisal (through a field survey). The selection of the final 15 priority villages (5 in each District) will be handled through the Multi Stakeholder Forum, which will base its decision also on the results of the survey. A priority village not only gets support in fire-crew establishment, complete with training, equipment and organizational inclusion in a wider system, but will also be supported in a broad fire prevention oriented development. The latter includes improvements in land and resource use, meant to lead to a decrease in the use of fire for farming, as well as reducing the fire susceptibility of the land and vegetation.

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The rapid socio-economic appraisal was implemented together with NGOs and District and Sub-District staff, covering 30 villages in three districts. Results have been presented at sub-district and district level, and will contribute to the selection of the priority villages and follow-up activities. The survey activity also introduced the project and the project's concept and program to the village communities.

2.2.2 Achievements on Result 2:

Enable stakeholders to organize and apply effective fire management mechanisms in their area.

The identification of the existing fire management organization and the government agencies in charge of Incident Command System and Incident Control Centres (Posts of Command) has started with relevant counterparts and has been completed with an institutional analysis (short-term consultancy in November and December 2003).

The HTI PT. SBA Wood Industries, OKI District, has been assisted to improve fire management planning (e.g. Access Roads and Firebreaks, Water Supplies and Lookout Towers, Pre-Attack Planning and Standard Operating Procedures). A standard template

to conduct fire management assessments and recommendation within the HTIs/estate crops of South Sumatra has been developed (short-term consultancy in December 2003).

The development of community-based fire management by BKSDA (Nature Conservation Agency) with 5 villages has been supported on 17/09/03, Banyuasin District (30 participants from local communities).

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A fire crews' training by the Forestry Services has been supported on 21-23/07/03, Desa Bukit Batu, OKI District (30 participants from local communities). A training for fire crews has been organized by SSFFMP on 11-14/08/03, Desa Simpang Tiga Sakti, OKI District (28 participants from local communities, 12 participants from HTI PT. SBA Wood Industries).

A fire managers' course by the Forestry Services has been supported on 25-26/07/03, Palembang (30 participants from the whole province). A training for Incident Control Centres' officers has been organized by SSFFMP on 30/09-02/10/03, Palembang (40 participants *Polisi Hutan* from the whole province).

A training of trainers has been organized by SSFFMP on 17-20/11/03, Palembang (20 stakeholders/trainers from the whole province).

11 training materials about fire management, firefighting and rescue at basic level (6 modules) and manager level (5 modules) has been improved and standardized (short-term consultancy in December 2003).

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Manufacturers able to produce adapted fire equipment have been identified locally. A limited quantity of hand tools and protective gears have been purchased, 1 set has been distributed with training on 23/07/03 to Desa Bukit Batu (OKI District) and 3 sets distributed with training on 14/08/03 to Desa Simpang Tiga Sakti (OKI District). The selected communities agree to provide the necessary warehouse. Recommendations have been given to local manufacturers for technical specifications and quality control (short-term consultancy in December 2003).

2.2.3 Achievements on Result 3:

Create capacities and support initiatives to bring land and natural resources under sustainable management

The project's hard and soft copy spatial database has been compiled and described and is updated and/or extended whenever new or better data presents itself. Landsat images have been acquired to be used in a land use / land cover mapping activity, covering the three priority districts. Other, high-resolution, images are being ordered, covering the priority villages. The image analysis will be done together with counterparts, assisted by a short-term expert input, as part of a knowledge transfer approach. The database will be made available to stakeholders.

Stakeholders involved in land use planning have received a first training in land use evaluation and planning and GIS. This training is part of a planned training program comprising a number of consecutive trainings on land use planning, sustainable natural resource management, and GIS use. Apart from the improvement of skills, knowledge and experience and upgrades of required hard/software and databases, stakeholders are also supported to try to achieve more effective planning and monitoring through better coordination and cooperation among the relevant stakeholders.

The initial socio-economic survey has provided a basis for the development of such improvements, among others by means of planning and implementation the community development program. A working group within the Multi Stakeholder Forum will also focus on the problem and way of achieving an improvement of the present status quo of land use planning and sustainable natural resource management.

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Results of the socio-economic survey conducted in priority districts, as baseline information, are to be presented in the upcoming Multi-stakeholder Forums meetings at district level to select and endorse 5 priority villages out of 10 surveyed villages along with recommended activities to be implemented in each priority districts for further project intervention.

Project are preparing field-level examples on income generating activities, based on the results of RRA/Socio-Economic Surveys conducted, visits, meetings and discussions conducted with relevant and competent authorities/stakeholders such as Dinas

Perkebunan (Plantation Service) and Balai Pengkajian Teknologi Pertanian (BPTP - Agricultural Technological Assessment Agency) of South Sumatra Province.

Discussions on December 12, 2003 at BPTP office came up with proposals of alternatives of activities for possible implementation offered to be discussed in the upcoming community development workshop to be conducted and to be endorsed in the District Multi Stakeholders Forums.

2.2.4 Achievements on Result 4:

Support Government and non-government organizations to establish systems to monitor the impact of improved fire management on the environment and people (gender-issues, livelihood, income, etc.), and the results of the work placed in the public domain.

Based on the main findings of an assessment on fire management institutional analysis in the province, there is no structures in the government institution which deal with complex problem of fires. Most of them are still focusing in fire suppression instead of prevention and impact monitoring or only in specific land use. Lack of skilled staffs is one of many major problems beside the organizational aspect.

Capacity building is therefore an important aspect in establishing system for fire-impact monitoring and detection in the province. Many important agencies have not enough skilled staffs and good equipment for such activities. Two trainings have been conducted to improve stakeholder's capabilities in fire information system using computer aided analysis, i.e. "Training of Fire Information System" in October 2003 and "Training on Fire Danger Rating System" in November 2003.

Due to the large number of participants, the Fire Information Training was conducted in 2 shifts in 3 days each. The main objective of the training is to capacitate the relevant stakeholder in using Geographic Information System specifically for fire management. It is also expected that the participants could acquire hotspot information directly from internet sources, so that the distribution system of fire information will be shorter.

This is also in the same direction of the results from NOAA system assessment and NOAA workshop held in October 23rd, 2003 in Palembang. Most of stakeholder both from province and national level stated that instead of repairing the broke-down NOAA system in Palembang, which is very expensive, they prefer to use other sources of

hotspot information. New source of daily fire detection information based on MODIS satellite with higher resolution than NOAA satellites has been identified and ready to be introduced in the province.

The Fire Danger Rating System Training was conducted in cooperation with the South East Asia Fire Danger Rating System Project (SEAFDRS) supported by Canadian Forest Service based in Jakarta. Stakeholders from BMG, University and private sectors were joining the training. Three specialists from SEAFDRS Project were invited to present materials during the training.

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The project is also aware of the limitations of each priority districts to provide proper equipment. We therefore identified relevant institutions which appropriate to receive specific equipment for fire monitoring. So far we have distributed modems and GPSs to district level and some NGOs. This will not only give them incentives but also raise their awareness in project ownership and thus improve participation in fire management system.

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A number of workshops and seminars have been conducted or attended for presenting papers, among others:

- SSFFMP Planning Workshop on 8-9 December 2003 at Royal Hotel Palembang attended by government officials, NGOs, private companies, universities and other related stakeholders to strengthen the networking, evaluate the achievement of the 1st and formulate the 2nd Annual Work Plan of SSFFMP.
- Presented a keynote paper titling Community Based Fire Management for Sustainable Agriculture in South Sumatra at the 8-9 October 2003 Faculty of Agriculture – University of Sriwijaya International Seminar on " Organic Farming and Sustainable Agriculture in the Tropics and Sub Tropic: Science & Technology, Management and Social Welfare" Palembang.
- Co-organizer and presented a paper titling "Kehidupan masyarakat dan kaitannya dengan kebakaran lahan gambut di Kab Ogan Komering Ilir – Propinsi Sumatera Selatan" in a CIFOR/ICRAF's workshop in collaboration with Bappeda Propinsi Sumatera Selatan, Wetlands International, EU, ACIAR and SSFFMP of "Lokakarya kebakaran di lahan rawa/ gambut: Masalah dan Solusi" conducted on 10-11 Desember 2003 in Hotel Budi Palembang.
- Participate and presented paper titling "Institutional development for integrated fire management in South Sumatera" in the CIFOR/ICRAF's organized One day

workshop on fires in Indonesia: “Impacts, Key issues and Policy Responses” conducted on Dec 16, 2003 at Ibis Hotel Jakarta.

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Identification of NGOs concerning environmental and forest fire prevention in South Sumatra are almost completely finished through discussions and seminars. The profile of relevant NGOs has been produced for the input of NGO's development concept, which also considering existing situation. Five selected NGOs have been involved in socio-economic survey in the priority districts.

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Meeting with Women Study Centre (Pusat Studi Wanita-PSW) Sriwijaya University and selected NGOs to get information on the possibilities of collaboration on the project activities are conducted (common understanding is established). Concept and working guidance for gender issues in line of the project activity have been drafted. Data for gender issues have been collected through previous study in the province.

2.2.5 Achievements on Result 5:

Provide support to Government agencies (at the national, provincial and district levels) and civil society to shape policies and organizational structures in such a way as to promote sustainable natural resources management that includes effective fire management.

Even so the project is on an early stage, a number of initiatives were taken to make future contributions towards national, provincial and district policies and strategies.

Coordination between major stakeholders, projects in other parts of Indonesia and the participation in national and regional seminars and workshops provided inputs to other stakeholders and guaranteed feedback to the project. Thus lobbying together increases influence and impact to shape future policies. Another benefit of the coordination is the standardization of processes and the development to create a common terminology and understanding.

In particular the development of multi-stakeholder fora concepts and its implementation provides a vehicle for policy formulation starting from Micro / Meso level and to be transferred to Meso / Macro level. Combined with comparative studies for decision makers, a powerful set of tools is available to introduce further changes to the respective policies and the required institutional infrastructure. A good example is the recent request, December 2003, by Dinas Kehutanan to the provincial government to establish a Technical Sub Unit (UPDT) along the lines of the model from East Kalimantan.

The first part of institutional analysis into existing policies, mandates and available institutions for fire and disaster management helps decision makers to better understand the problems and challenges ahead. In the first half of 2004 a final report is made available and will be presented to a wider forum, including representatives from districts, provinces and some from national stakeholders.

The approach of the project to support policy and strategy formulation is therefore based on analysis of the existing situation, learn from existing failures and success, comparing it with South Sumatra and provide appropriate alternatives and solutions.

2.2.6 Status on long-and short-term international training

This result is listed in the TA contract and is also managed by the PMU. Forest fire fighting science and experience and production of respective equipment is concentrated in just a few countries, mainly Australia and United States.

The GTZ IFFM Project in Kalimantan has made use of these training and exchange possibilities in the past, and has nearly completed the process to develop a sandwich type training programme with Australian institutions, where the consultants would do some training in Indonesia, before selected participants would go for an upgrading to Australia. At the beginning of 2004 IFFM agreed to make the programme draft available. In early 2004 the opportunity exists to study CBFiM in Thailand. The PMU will draft a proposal for endorsement and speedy implementation.

Note:

The OWP and AWP do not list this result / task, as it is covered under the consortium contract. However, reporting on activities and achievements will continue in the six monthly progress reports.

2.2.7 Status on making SSFFMP office infrastructure operational

During the IPA implementation a major task was the set up basic office infrastructure to provide appropriate means and tools for SSFFMP TA and supporting staff and to facilitate a close working relationship with counterparts and stakeholders. This process continued in the second half of 2003 and also included the upgrading of the training facilities. At the end of 2003 the office infrastructure and training facilities are nearly completed, except for transport means, which are still under processing and require more and substantial time due to tender procedures, rule of origin and other EU regulations.

The end of AWP I saw also first steps to establish Secretariats in the priority districts to be jointly used by the Multi-stakeholder fora and SSFFMP. Most procurement is finalized for these Secretariats.

2.2.8 Status on achievements on the Information, Communication and Visibility Plan

So far SSFFMP has continued to implement elements for a corporate identity with such components as the EU flag, and for the offices: blue curtains, blue chairs, and the order of blue coloured vehicles. On visibility SSFFMP took the opportunity again to invite the press and media for the second project planning workshop in December 2003.

Calendars with fire management messages were produced and distributed to stakeholders, beneficiaries and other donors showing prominently the EU involvement and support. Together with the provincial education authorities teachers and student books on environmental issues were reprinted and are used to socialise the project and the EU as Donor.

2.3 ECIFP Programme activities

SSFFMP being a relatively new project under the ECIFP programme has taken the initiative and continued to work closely together with various projects and has received valuable inputs from FLB, the SCKPFP, Illegal Logging Resource Centre and the Leuser Project. So, until now mostly on the receiving side, SSFFMP is ready to share our expertise within the programme and to participate in joint activities as during 2003, in particular the Jakarta Environmental Exhibition in 2003 was a great success.

Section III: Financial Statements

3.1 Notes to Financial Statements

3.1.1 Overall budget

The budget tables show a total expenditure at SSFFMP of 230.000 Euro during 15th January until 31st December 2003. This budget does not include expenditure on the service contract from the implementing consortium GTZ IS / DHV.

Due to a number of reasons the planned budget under AWP I could not be implemented and disbursed. Among the main reasons were:

- a considerable delay in fund releases to SSFFMP
- late approval of AWP I
- substantial appreciation of the Euro against the Rupiah
- EU und Delegation regulations and requirements

3.1.2 Procurement

The detailed AWP I procurement was finalized, except for the vehicles (tender, re-tender procedures have to be applied). Software and satellite images are delayed as tenders need to be applied and a request for derogation to the rule of origin has to be processed. Except for the above mentioned equipment, software and satellite images, SSFFMP is close within the planned expenditure for procurement.

3.2 Statement of Receipts, Disbursements and Changes in Fund Balance (EU)

Table 1. Disbursement from the European Union

Date	Funds Received		Exchange Rate
	(EUR)	Equivalent to Rp	
7-Mar-03	100,000.00	961,103,000.00	9,611.03
7-May-03	100,000.00	961,193,000.00	9,611.93
4-Nov-03	376,800.00	3,784,654,560.00	10,044.20
T o t a l	576,800.00	5,706,950,560.00	

Table 2. Internal Transfer from EUR to IDR Account

Date	Amount		Exchange Rate
	EUR	Conversion in Rp	
10-Mar-03	40,000.00	388,200,000.00	9,705.00
9-Apr-03	35,000.00	332,325,000.00	9,495.00
23-May-03	35,000.00	338,275,000.00	9,665.00
15-Aug-03	70,000.00	666,750,000.00	9,525.00
11-Nov-03	30,000.00	291,000,000.00	9,700.00
18-Dec-03	45,000.00	463,725,000.00	10,305.00
19-Dec-03	25,000.00	263,000,000.00	10,520.00
Total	280,000.00	2,743,275,000.00	

3.3 Statement of Receipts, Disbursements and Changes in Fund Balance (Gol)

Category breakdown	Annual Plan 1	Annual Plan2	Annual Plan3	Annual Plan4	Annual Plan5	Total Gol Contribution
1. Office provision	24	24	24	24	24	120
2. Counterpart provision and salaries (60 months, 12 counterparts = 720 person/month)	30	30	35	35	30	160
3. Specific yearly counterpart budgets	30	30	30	30	30	150
4. National counter budget	5	5	6	6	5	27
5. Banyuasin District*		25	25	25	25	100
6. OKI District*		25	25	25	25	100
7. Musi Banyuasin District*		40	40	40	40	160
Total						817

Note: * under discussions.

-Information available indicates that counterpart contributions in cash derived from two sources, which are national funds through the MoF, and provincial funds provided through Dinas Kehutanan. In 2004 a third source of counterpart budgets will come from priority districts.

- At the end of December 2003, Euro exchange rate is 10,000 Rupiahs

3.4 Financing Agreement, budget line allocations

No	Description	Total allocation in thousand Euro	Available at project	Total allocation per year	Detailed break up in units per year or over the five year phase	Cost calculations per unit	Explanations / Remarks	Handled by / Responsibility
1	Services	5063						EU / GTZ
1.1	TA allowances / per diem*	150	150	30.0			Allowances are adapted to reduced GTZ rates in order to achieve at least a minimum field work Per diem budget is insufficient for nine TA **	GTZ / PMU
1.2	International training, studies	100	100	20.0			This type of training is for selected decision makers and for some fire control center management staff. Taking experience from IFFM into consideration the preferred destination would be Australia	GTZ / PMU
1.3	Final audit	10						GTZ
1.4	Studies / stakeholders	325	325	60.0	1 comparative study with 10 persons to other provinces 3 surveys with contracting agencies	1 X 15.000= 15.000 3 X 15.000= 45.000	Relevant stakeholders should study advanced structures in other parts of Indonesia (Kalimantan, Java) Some studies and research	

No	Description	Total allocation in thousand Euro	Available at project	Total allocation per year	Detailed break up in units per year or over the five year phase	Cost calculations per unit	Explanations / Remarks	Handled by / Responsibility
							are conducted by Universities	
1.5	Training, capacity building, NGO, networking	655	655	131.0	15 training units directly by project 3 training units contracted 30 seminar and attendance fees 12 multi-stakeholder forum meetings 4 networking meetings 1 project planning workshop 8 moderation contracts for workshops seminars / workshops other meetings	15 X 2.000 = 30.000 3 X 5.000 = 15.000 30 X 500 = 24.000 12 X 1.500 = 18.000 4 X 1.500 = 6.000 1 X 8.000 = 8.000 8 X 750 = 6.000 20 X 600 = 12.000 100 X 200 = 20.000	Multi-stakeholder forums Planning workshops Community training Committee meetings Networking visits and meetings	EU / PMU
1.6	External Monitoring, evaluation, auditing	200					EU delegation is handling this budget	EU
2	Procurement	1760		352.0				EU / PMU

No	Description	Total allocation in thousand Euro	Available at project	Total allocation per year	Detailed break up in units per year or over the five year phase	Cost calculations per unit	Explanations / Remarks	Handled by / Responsibility
2.1	Vehicles	100	100	<i>in first year</i>	2 four wheel drive double cabin 1 type minibus / Kijang 1 four wheel drive 4 trail motorbikes	2 X 25.000 = 50.000 1 X 15.000 = 15.000 1 X 27.000 = 27.000 4 X 2.000 = 8.000	Four vehicles and some motorbikes are planned	EU / PMU
2.2	Water transport	60	60	<i>in second year</i>	1 boat for fire surveillance and transport 2 small canal boats 1 set fire fighting equipment for boat	1 X 35.000 = 35.000 2 X 5.000 = 10.000 1 X 15.000 = 15.000	One boat with appropriate fire fighting equipment	EU / PMU
2.3	Office equipment	250	250	<i>over five years</i>	20 set of computer and accessories 10 laptops 10 set of colour and laser printers 2 set of plotters 2 photocopiers 1 set of LAN 1 set of telephone exchange and fax 4 district office computer units and accessories 3 multi media projectors 25 % replacement at year 4 of total 20 set of office furniture 1 set of office software and licenses other	20 X 2.500 = 50.000 10 X 3.000 = 30.000 10 X 900 = 9.000 2 X 6.000 = 12.000 2 X 8.000 = 16.000 1 X 10.000 = 10.000 1 X 5.000 = 5.000 4 X 5.000 = 20.000 3 X 4.000 = 12.000 1 X 41.000 = 41.000 20 X 1.000 = 20.000 1 X 10.000 = 10.000 1 X 17.000 = 17.000	9 TA staff and 9 supporting staff will be equipped as well as one training and meeting room. In priority districts some equipment will be stationed in order to facilitate field work	EU / PMU

No	Description	Total allocation in thousand Euro	Available at project	Total allocation per year	Detailed break up in units per year or over the five year phase	Cost calculations per unit	Explanations / Remarks	Handled by / Responsibility
2.4	Fire fighting equipment Village development equipment, tools, inputs	1150	1150	over five years	400 sets of community fire fighting equipment 10 sets of district fire fighting 2 warehouse set up and storage equipment 10 sets of specific fire equipment (pumps, etc) 10 sets of auxiliary fire equipment (compas, binoculars, GPS, etc) 15 village model development sets 10 weather stations 1 Fire detection equipment (satellite receiver system) 10 communication sets 3 sets of cameras and cam recorders other	400 X 2.000 = 800.000 10 X 7.200 = 72.000 2 X 5.000 = 10.000 10 X 8.000 = 80.000 10 X 2.000 = 20.000 15 X 4.000 = 60.000 10 X 2.000 = 20.000 1 X 40.000 = 40.000 10 X 2.000 = 20.000 3 X 3.000 = 9.000 1 X 19.000 = 19.000	Fire fighting equipment is to be provided to communities, district centers and at a provincial center (see activity 2.4) At least one sample center should be build village model equipment , inputs	EU / PMU
2.5	Satellite images	100	100	Over five years	4 sets of 9 scenes of Landsat image 1000 km2 high resolution satellite images Image analysis software other	36 X 600 = 21.600 1000 X 65 = 65.000 1 X 10.000 = 10.000 1 X 3.400 = 3.400		EU / PMU
2.6	Remote sensing equipment	60	60	Over five years	GIS Software 4 licenses Other	4 X 13800 = 55.200 1 X 4.800 = 4.800	Type of equipment is decided after arrangements are	EU / PMU

No	Description	Total allocation in thousand Euro	Available at project	Total allocation per year	Detailed break up in units per year or over the five year phase	Cost calculations per unit	Explanations / Remarks	Handled by / Responsibility
							made on how to use the NOAA station provided by former project	
2.7	Other	40	40	8				EU / PMU
4	Information	470		94.0				EU / PMU
4.1	Fire awareness, education	175	175	35	1 fire season awareness campaign per year 1 fire off season campaign 1 set of education booklets for schools 1 set of teacher manuals 2 participation in local awareness events 2 production of media material other awareness material	1 X 10.000 = 10.000 1 X 5.000 = 5.000 1 X 6.000 = 6.000 1 X 2.000 = 2.000 2 X 1.500 = 3.000 2 X 3.000 = 6.000 1 X 3.000 = 3.000	Roadshows, awareness campaigns teacher training manuals and materials for campaigns and activities	EU / PMU
4.2	Technical reports	130	130	26	2 sets of fire manuals for community / crews 5 type of training manuals 3 survey and research reports 3 workshop / seminar proceedings other reports	2 X 2.000 = 4.000 5 X 1.000 = 5.000 3 X 2.000 = 6.000 3 X 1.000 = 3.000 20 X 300 = 6.000	Production, printing, distribution of reports translation of documents	EU / PMU
4.3	EC promotion	60	60	12	2 participation in joint events with ECIFP 2 press / roundtable meetings 1 purchase of promotional material	2 X 3.000 = 6.000 2 X 500 = 1.000 1 X 3.000 = 3.000 1 X 2.000 = 2.000	Detailed activities and requirements according to IC& V Plan	EU / PMU

No	Description	Total allocation in thousand Euro	Available at project	Total allocation per year	Detailed break up in units per year or over the five year phase	Cost calculations per unit	Explanations / Remarks	Handled by / Responsibility
					other promotion			
4.4	Other	105	105	21	2 set of project leaflet / brochure other project promotion and info material	2 X 6.000 = 12.000 1 X 9.000 = 9.000		EU / PMU
5	Operating costs	740						EU / PMU
5.1	Local personnel	135	135	27	see detailed staff plantilla and budgets allocated under Table 4.		Minimum set up is for 9 supporting staff Plantilla gives details Funds are insufficient considering labor law regulations	EU / PMU
5.2	Other costs, (OF) PMU office (VR) Vehicle running (LT) Local transport (COM) Communications (OS) Office supplies (LS) Per diem local staff (LA) Local audit	605	605	121	see detailed analytical cost centers under Table 9.		All overhead and running costs come under this budget line and are divided into seven categories. Estimates with satisfactory results can only be made after first year of operations Any other ways would just be guesses	EU / PMU
6	Contingencies***	467						EU

3.5 Detailed budget expenditure during the reporting time

No	Description	Month												Total Jan-Jun	Total Jan-Dec	Total allocation	Available at project	Total allocation per year	Balance 2003
		1	2	3	4	5	6	7	8	9	10	11	12						
1	Services Under PMU	#	#	5.45	1.89	0.10	0.02	0.06	0.27	1.04	3.41	4.29	4.98	7.46	21.50	5,063		120.0	98.50
1.4	Studies / stakeholders	-	#	-	-	-	0.01	-	-	0.56	0.89	0.62	(0.22)	0.01	1.87	325	325.0	20.0	18.13
011000	Travel cost studies/stakeholders (daily, accom,ticket)										0.66	0.06	0.08						
011100	Fee & charge (studies/stakeholder)									0.51	0.03	0.14							
011900	Others (studies/stakeholder)						0.01			0.05	0.21	0.41	(0.30)						
1.5	Training, capacity building, NGO networking	-	#	5.45	1.89	0.10	0.01	0.06	0.27	0.47	2.51	3.67	5.21	7.45	19.64	755	755.0	100.0	80.36
011000	Travel cost training,capacity building,NGO networking (daily,accom,ticket)			1.13					0.23		0.91	1.97	1.90						
011100	Training fee/trainer fee/charge (training,capacity building,NGO networking)				1.89			0.03	0.02	0.02	0.02	-							
011200	Training material (training, capacity building,NGO networking)			0.98		0.00			0.00		0.25	0.26	0.74						
011300	Training fees(training, capacity building,NGO networking)			0.61							0.07	0.56	0.20						

No	Description	Month												Total Jan-Jun	Total Jan-Dec	Total allocation	Available at project	Total allocation per year	Balance 2003
		1	2	3	4	5	6	7	8	9	10	11	12						
011400	Training consumables (training, capacity building, NGO networking)			2.15		0.10			0.02	0.12	1.14	0.86	1.85						
011900	Others (training, capacity building, NGO networking)			0.58			0.01	0.03		0.34	0.13	0.01	0.52						
1.6	Monitoring, evaluation, auditing	-	#	-	-	-	-	-	-	-				-	-	200			
011000	Travel cost monitoring, evaluation, auditing (daily, accom, ticket)																		
011100	Training fee/trainer fee/charge (monitoring, evaluation, auditing)																		
011200	Training material (monitoring, evaluation, auditing)																		
011300	Training fees (monitoring, evaluation, auditing)																		
011400	Training consumables (monitoring, evaluation, auditing)																		
011900	Others (monitoring, evaluation, auditing)																		
2	Procurement	#	#	13.76	26.12	4.38	10.70	2.87	25.62	4.28	5.39	21.45	26.39	54.96	140.96	1,760		385.0	244.04
2.1	Vehicles	-	#	-	-	0.63	0.63	0.12	1.79	(0.50)	0.23	0.02	0.60	1.26	3.52	100	100.0	365.0	361.48

No	Description	Month												Total Jan-Jun	Total Jan-Dec	Total allocation	Available at project	Total allocation per year	Balance 2003
		1	2	3	4	5	6	7	8	9	10	11	12						
011000	Purchase procurement vehicles																		
011100	Accessories /spareparts procurement vehicles																		
011900	Other procurement vehicles					0.63	0.63	0.12	1.79	(0.50)	0.23	0.02	0.60						
2.2	Water transport	-	#	-	-	-	-	-	-	-	-	-	-	-	-	60	60.0		
011000	Purchase procurement water transport																		
011100	Accessories /spareparts procurement water transport																		
011900	Other procurement water transport																		
2.3	Office equipment		#	13.76	26.12	3.75	10.07	2.67	2.39	4.79	5.16	2.41	14.34	53.70	85.46	250	250.0		(85.46)
011000	Purchase procurement office equipment			13.42	26.04	3.52	10.07	1.99	2.55	4.24	5.13	1.00	13.81						
011100	Accessories /spareparts procurement office equipment					0.01					0.01		0.37						
011900	Other procurement office equipment			0.35	0.07	0.22		0.68	(0.16)	0.55	0.03	1.42	0.16						
2.4	Fire fighting equipment	-	#	-	-	-	-	0.08	21.44	-	-	6.98	3.35	-	31.84	1,150	1,150.0		(31.84)
011000	Purchase procurement fire fighting equipment								21.43			6.97	3.22						

No	Description	Month												Total Jan-Jun	Total Jan-Dec	Total allocation	Available at project	Total allocation per year	Balance 2003
		1	2	3	4	5	6	7	8	9	10	11	12						
011100	Accessories /spareparts procurement fire fighting equipment												0.11						
011900	Other procurement fire fighting equipment							0.08	0.01				0.01	0.02					
2.5	Satellite images	-	#	-	-	-	-	-	-	-	-	-	-	-	-	100	100.0	20.0	20.00
011000	Purchase procurement satellite images																		
011100	Accessories /spareparts procurement satellite images																		
011900	Other procurement satellite images																		
2.6	Remote sensing equipment	-	#	-	-	-	-	-	-	-	-	11.22	5.81	-	17.04	60	60.0		
011000	Purchase procurement remote sensing equipment											10.89	5.71						
011100	Accessories /spareparts procurement remote sensing equipment											0.02	0.10						
011900	Other procurement remote sensing equipment											0.32	0.00						
2.7	Other	-	#	-	-	-	-	-	-	-	-	0.81	2.29	-	3.10	40	40.0		
011000	Purchase											0.81	2.29						
011100	Accessories /spareparts																		

No	Description	Month												Total Jan-Jun	Total Jan-Dec	Total allocation	Available at project	Total allocation per year	Balance 2003	
		1	2	3	4	5	6	7	8	9	10	11	12							
011900	Other procurement																			
4	Information	-	#	-	0.38	1.09	0.90	0.16	2.45	1.59	3.83	1.27	0.36	2.36	12.02	470		81.0	68.98	
4.1	Fire awareness, education	-	#		0.31	0.65	0.82	0.14	2.23	0.77	3.31	0.15	0.12	1.78	8.51	175	175.0	70.0	61.49	
011000	Travel cost fire awareness, education (daily, accom,ticket)				0.20	0.03	0.17	0.06	0.84		1.80	0.08								
011400	Fee & charge (fire awareness, education)				0.00	0.61			0.01											
011500	Production & printing (fire awareness, education)					0.01			0.58	0.17	0.08	0.06	0.12							
011600	Distribution (fire awareness, education)								0.04											
011700	Meeting, workshops, seminars (fire awareness, education)										1.30									
011900	Others (fire awareness, education)				0.10		0.65	0.08	0.76	0.60	0.14	0.01								
4.2	Technical reports	-	#	-	0.07	0.14	0.08	0.02	0.07	0.31	0.27	0.62	-	0.29	1.59	130	130.0		(1.59)	
011000	Travel cost technical report (daily, accom,ticket)					0.10														
011400	Fee & charges (technical reports)									0.06										
011500	Production & printing (technical reports)						0.07	0.00	0.01	0.14	0.15	0.62								
011600	Distribution (technical reports)										0.12									

No	Description	Month												Total Jan-Jun	Total Jan-Dec	Total allocation	Available at project	Total allocation per year	Balance 2003	
		1	2	3	4	5	6	7	8	9	10	11	12							
011700	Meeting, workshops, seminars (technical reports)				0.07	0.04	0.01													
011900	Others (technical reports)							0.02	0.06	0.11	0.00									
4.3	EC promotion	-	#	-	-	0.29	-	-	0.13	0.51	-	0.33	-	0.29	1.27	65	65.0	11.0	9.73	
011000	Travel cost EC promotion (daily, accom,ticket)																			
011400	Fee & charges (EC promotion)																			
011500	Production & printing (Ec promotion)					0.18			0.08	0.02		0.31								
011600	Distribution (Ec promotion)																			
011700	Meeting, workshops, seminars (technical reports)					0.01														
011900	Others (EC promotion)					0.11			0.05	0.49		0.02								
4.4	Other	-	#	-	-	-	-	-	0.02	-	0.24	0.16	0.24	-	0.66	100	100.0			(0.66)
011900	Others								0.02		0.24	0.16	0.24							
5	Operating costs	#	#	6.18	3.68	3.96	4.17	4.27	4.26	5.82	5.07	6.32	6.73	17.99	50.47	740			135.0	84.53
5.1	Local personnel	-		3.29	1.98	1.86	1.98	1.86	2.10	2.09	2.05	3.70	1.78	9.12	22.69	135	135.0	25.0	2.31	
011000	Salaries			3.16	1.88	1.55	1.65	1.65	1.70	1.70	1.73	1.72	1.63							

No	Description	Month												Total Jan-Jun	Total Jan-Dec	Total allocation	Available at project	Total allocation per year	Balance 2003
		1	2	3	4	5	6	7	8	9	10	11	12						
011100	Overtime					0.11	0.05		0.06	0.07	0.13	0.14	0.01						
011200	Lebaran Allowance											1.64	(0.03)						
011300	Pesangon/Bonus																		
011900	Others			0.13	0.10	0.20	0.28	0.21	0.34	0.32	0.19	0.20	0.18						
5.2	Other costs, (OF) PMU office (VR) Vehicle running (LT) Local transport (COM)Communications (OS)Office supplies (LS) Per diem local staff (LA) Local audit			2.89	1.70	2.09	2.19	2.41	2.17	3.74	3.02	2.62	4.95	8.87	27.77	605	605.0	110.0	82.23
011000	Consumarable for office			0.12	0.35	0.25	0.28	0.06	0.06	0.06	0.06	0.02							
011100	Repair, maintenance, upgrading for PMU office			0.05							0.00	0.01	1.98						
011200	Insurance taxes for PMU office					0.10	0.01		(0.09)		0.16								
021300	Supplies for office			1.06	0.07	1.02	0.67	0.65	0.73	1.14	0.66	0.38	0.78						
031900	Other for office			1.05	0.90	0.02	0.14	0.16	0.25	0.77	0.49	0.49	-						
040110	Consumarable for vehicle																		

No	Description	Month												Total Jan- Jun	Total Jan- Dec	Total alloca tion	Availa ble at projec t	Total alloca tion per year	Balan ce 2003
		1	2	3	4	5	6	7	8	9	10	11	12						
				0.11	0.10	0.08	0.74	0.64	0.11	0.19	0.19	0.10	0.36						
040111	Insurance taxes for vehicle					0.03		0.01					0.34						
040112	Repair, maintainace, upgrading for vehicle			0.09	0.14	0.05	0.00	0.58	0.00	0.17	0.02	0.08	0.15						
040119	Other for vehicle			0.02	0.01	0.07	0.01	0.01	0.01	0.04	0.03		0.01						
051000	Charge for local transport				0.03				0.55	0.53	0.53	0.56	0.50						
051900	Others for local transport			0.00	0.01						0.01	0.05							
061000	Connection fee & charges for communication			0.27	0.08	0.47	0.34	0.30	0.42	0.48	0.52	0.66	0.53						
061100	Repair & maintenance for communication			0.01															
061900	Others for communication				0.01					0.06	0.09	0.09	0.16						
070110	Travel cost (daily, accom,tickets) for local staff			0.11					0.13	0.29	0.24	0.18	0.12						
070119	Others (travel) per diem local staff											0.02	0.02						
081000	Fees & charge local audit																		
081900	Others local audit																		
Total		-	#	25.39	32.07	9.53	15.80	7.35	32.60	12.73	17.70	33.32	38.47	82.78	224.95			721.0	496.05
91	Bank Interest			(0.01)	(0.10)	(0.09)	(0.07)	(0.02)	(0.14)	(0.10)	(0.04)	(0.13)	(0.07)	(0.27)					

3.6 Staff plantilla and expenditure

No.	Name	Position	Allocated PM	Used until end Dec 2003	Remain PM
LSS1	Evi Sunarsih	Office Administrator	60	11,5	48,5
LSS2	Ita Hartaty	Accountant	59	11,0	48,0
LSS3	Jenny Anastasia	Secretary	58	9,0	49,0
LSS4	Adis Herlis	Office Assistant	59	11,5	47,5
	Sulaiman		59	11,5	47,5
LSS5	Abdulah	Driver 1	59	11,5	47,5
LSS6	Syari Kholik	Driver 2	59	11,5	47,5
LSS7	Apendi	Security 1 (Part-time)	59	11,5	47,5
LSS8	Samsuri	Security 2 (Part-time)	59	11,5	47,5
LSS9	Toto Marsoni	Fire Fighting Assistant	56	7,0	49
LSS10	Edi Masri	Driver 3	55	7,0	48
LSS11	NN	Driver 4	47		47
Total Local Supporting Staff PM			630	103	527

Section 4: Additional Information and Annexes

4.1 Newspaper cuts (description of the difficulties in the forestry sector, etc.)

Minister won't hesitate to jail governors

Source: The Jakarta Post, January 08, 2004

By Rendi A. Witular, The Jakarta Post, Jakarta

Minister of Forestry M. Prakosa strongly criticized on Wednesday Kalimantan's governors for their rejection of a 17 percent reduction in the logging quota set by the central government, warning them of serious legal consequences.

"Their reasons for disregarding the lowered quota are baseless. We remain firm that we won't revise or annul this year's logging quota. They should follow the policy or face criminal prosecution," Prakosa announced to the public on Wednesday.

He said that the ministry would summon the governors or send officials to seek an explanation over their defiance and seeming disregard of the environment.

The ministry will also ask the police and prosecutors to investigate any violation of the quota policy and to press charges against all officials who defied it, he said.

Prakosa was infuriated with a joint agreement made by four governors of Kalimantan to reject the logging quota set by the central government on the basis that the decreased output would render thousands of people in their provinces jobless.

The four governors are Suwarna Abdul Fatah of East Kalimantan, Sjachriel Darham of South Kalimantan, Asmawi A. Gani of Central Kalimantan and Usman Dja'far of West Kalimantan.

The governors, accompanied by local businessmen, met in Balikpapan, the capital of East Kalimantan, to endorse the agreement on Monday.

Suwarna estimated that the quota would result in unemployment for around 80,000 people currently working in the sector because companies would have to lower their output capacity to abide by the policies.

He claimed that he was afraid the additional unemployment would undermine security by fomenting social unrest in East Kalimantan, especially around election time.

However, Prakosa doubted Suwarna's unemployment estimates.

He also said the central government considered the short-term cost negligible compared to the irreplaceable, long-term value of the tropical forests that the nation still had.

The minister said that if he failed to convince the governors to abide by the logging quota, and the police or prosecutors also failed to charge them, the ministry would begin targeting companies that were now operating in Kalimantan.

"The governors may be able to get away with this, but we have the authority to revoke the operating licenses of forestry firms or to ban the exports of their products. It should be enough to prevent them from violating the quota," said Prakosa.

He added that if the companies stuck with the governors' plan, the ministry would declare the firms illegal loggers, and they would all be investigated by the police.

The government has been aggressively trying to restructure the country's forestry-based sector, which had, for many years, enjoyed the privileges bestowed on them by the New Order regime in exploiting the forests all over the archipelago, in order to gain as much foreign-exchange earnings as possible.

As part of the restructuring policy, the government decided to gradually lower the country's logging quota of natural forests for the industry to 6.89 million cubic meters last year and 5.7 million cubic meters this year.

However, despite the central government's laudable efforts to save the country's forests, the regional governments, empowered in recent years by greater autonomy, have exploited more of the forest for their own profit, in some cases even more than the New Order rush to cut down as many trees as possible.